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REVISED

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State Owned Lands:

A Discussion of their Acquisition and Recommendations for Sustaining Natural Resource Values

Introduction: *Acquisition without Management;* Overview of the Problem

As of 2003, there were approximately 80.5 million acres in the State of California that were classified as “forest and rangelands.” Over half of these acres were listed as owned by the Federal government, and 6.6 million acres owned by “other public,” which RMAC concludes are lands that include State Parks, preserves and other properties acquired for conservation and resource protection purposes.¹ According to the Fish and Game’s Lands and Facilities Branch, annual land operating management costs for most wildlife areas range from \$16 to \$100 per acre depending on intended land use.² If a middle ground figure of \$58 per acre is used, the State has indebted itself to an estimated \$382,800,000 per year in order to adequately maintain its investments. This estimate does not include numerous other land cover classes besides forest and rangelands, and public lands acquired since 2003.

While many of these acres were purchased using State Bond Funds Federal Tax Code bars the use of bond funds for maintenance except in some instances where funding for the creation of management plans is allowed.³ Few provisions have been made to ensure that the State has adequate resources to maintain its public lands to at least the habitat value for which they were acquired. As general funds are limited by the budget crisis, maintenance of public lands is likely to become more underfunded.

Improperly maintained lands both pose a threat to the community and demonstrate an inefficient use of State Resources. Lands without sufficient funding for management often sit idle posing a threat to neighboring properties as a source for management vectors (i.e. noxious weeds, fires). Investments in planning, maintenance, and management are needed to retain the intrinsic values of the properties that are acquired.

The methods by which public lands are acquired and managed are at a juncture that requires reconsideration. The RMAC recommends that the State of California Resources Agency provides strong leadership in creating and implementing a management strategy

¹ “The Changing California Forest and Range Assessment 2003.”

“http://frap.fire.ca.gov/assessment2003/Introductory_Materials/introduction.html” (accessed August 20, 2008)

² Bunn, David, et al, UC Davis Wildlife Health Center “California Wildlife Conservation Challenges”. California Department of Fish and Game, 2007.

³ Researching Tax Code

1 that contains a suite of options including user fees, cooperative management
2 arrangements, private-public partnerships, increased appropriations, and conservation
3 easements. RMAC also recommends that the Board of Forestry directs the Fire and
4 Resource Assessment Program to perform an inventory of State owned lands and make
5 that information available to the public.

6 7 **Background**

8 9 **Who is RMAC?**

10 The Range Management Advisory Committee (RMAC) is an eleven member committee
11 created by statute with the responsibility for providing information to the Board of
12 Forestry and Fire Protection (Board), California Department of Food and Agriculture,
13 California Environmental Protection Agency, and the Resources Agency on matters
14 pertaining to California Rangelands. Members of the RMAC represent agricultural
15 interests such as the California Farm Bureau Federation, the California Cattlemen's
16 Association, California Forestry Association, and the California Wool Growers
17 Association. Also represented by RMAC are the Watershed Fire Council of Southern
18 California, and the general public.

19
20 RMAC investigates and comments on issues pertaining to rangeland ecology and health,
21 invasive and noxious weeds, the certification of professional rangeland managers by the
22 Board, rangeland water quality issues, and other impacts such as urban encroachment and
23 the economic viability of the range and livestock industry. RMAC is directly responsible
24 to the Board of Forestry and Fire Protection for assistance with developing State
25 rangeland management policy.

26 27 **Why has RMAC taken up the cause for developing a management strategy for** 28 **State acquired lands?**

29 While mainly concerned with rangelands, RMAC seeks to raise the awareness of
30 agencies and decision makers of the importance to provide for proper management of all
31 publicly acquired lands. RMAC also seeks to provide recommendations to policy and
32 decision makers that assist with developing a process for land acquisition, including
33 provisions for protecting resource values through adequate funding for managing State
34 lands.

35
36 RMAC is of the opinion that proper management of publically acquired rangelands is in
37 the best interest of the range and livestock industry. More importantly, RMAC believes
38 that proper management of all State lands is in the best social, environmental, and
39 economic interest of California citizens in general.

40
41 Rangelands that are acquired by the State typically have a prior history of being managed
42 by private landowners. These land managers are often engaged in an agricultural
43 enterprise, such as grazing livestock. When managed properly, working rangelands are
44 capable of servicing multiple resource management objectives related to water quality,
45 wildlife habitat, air quality, and soil protection. If not managed properly one or more of
46 these resource values will decline.

1 Many publicly acquired lands are obtained with no provisions for developing a
2 management plan or carrying out best management practices. The results of land left idle
3 often are water quality degradation, invasion from noxious weed species, degradation of
4 wildlife habitat, and the accumulation of wildland fuels that threaten neighboring private
5 lands.

6 7 **Methods**

8 To write this paper, RMAC assembled knowledge of land management as contributed by
9 members of the committee; interviews with individuals, producers, landowners, focused
10 interest groups, and government agencies; conversations with partner and local agencies;
11 and a peer review of the first draft of this paper. A review of current literature and
12 technical documents was completed to ensure accurate information. The idea was well-
13 received by many of the reviewers, and the Board encouraged the committee to submit
14 this paper and related recommendations for its review. While the paper is targeted toward
15 the Board, it applies to any State Agency that holds and manages forest and rangelands
16 and others with a vested interest in land management and resource protection.

17 18 **Scope and extent of problem; description and listing of** 19 **necessary management elements**

20
21 California tax payers have placed a priority on the acquisition of vital natural resources
22 by approving over \$2 billion in bond funds for resource land acquisition since the year
23 2000.⁴ However, the acquisition of land for conservation purposes has not been met with
24 a plan to fund the maintenance of the acquired land. These costs are burdening
25 responsible State Agencies because of the growing volume of land acquisition and
26 shrinking general fund budgets associated with the State Budget Crisis. It is time for the
27 State of California to reassess maintenance strategies in order to protect resource values
28 and to ensure State taxpayer investments are being used in an efficient manner. New
29 strategies and funding sources for maintenance and management are necessary to avoid
30 potentially catastrophic problems.

31
32 State agencies are beginning to realize the public threat that improperly maintained land
33 poses to neighboring landowners. Recently, in the California Performance Review,
34 *Increase Efficiency in Using Existing Bonds for Environmental Enhancement* stated,
35 “land assets are often acquired without sufficient funds available to develop a
36 management plan or to maintain the land. As a result, the land may sit idle, presenting a
37 nuisance to adjacent landowners as a source of unwanted animals, insects, weeds, and
38 diseases. These idle lands may also cause seepage, flooding, or water quality problems
39 for adjacent landowners. Without sufficient maintenance, these lands may not even
40 provide valuable wildlife habitat as intended or sustain the biological values which were

⁴ Hill, Elizabeth G. “Improving the Appraisal Function in Resources Land Acquisition”.
Legislative Analyst’s Office, October 2007.

1 present at the time of acquisition.”⁵ It should be noted that idle lands in fire-prone areas
2 also increase the risk of fire to neighboring properties.

3
4 The public threat created by improperly maintained land is exacerbated by the sheer
5 volume of land that has been acquired by bond funds in the last few decades. A complete
6 inventory of all lands acquired during this period was not available to RMAC during the
7 preparation of this paper. However, it appears that lands managed by the California
8 Department of Fish and Game have quadrupled in the last 25 years. In 1980 the
9 Department of Fish and Game managed approximately 250,000 acres; today they manage
10 just over 1 million acres⁶. Management of an additional 750,000 acres has proven to be
11 overwhelming to a department that was already considered underfunded by the
12 legislature as noted in Fish and Game Code.⁷ Department of Fish and Game Director,
13 Donald Koch, in a recent article described the Department as being “stretched to the
14 max” by private land acquisitions currently under their stewardship.⁸ Fish and Game’s
15 Lands and Facilities Branch estimates annual land operating management costs for most
16 wildlife areas to range from \$16 to \$100 per acre depending on intended land use, though
17 this number is very likely higher than the estimates.⁹ If a middle-ground number of \$58
18 per acre is used, additional maintenance costs to the Department of Fish and Game are
19 \$43,500,000 per year.

20
21 Funding from the general fund for maintenance has not been increased. In fact, general
22 funds have been cut to the agencies that manage conservation properties as a result of the
23 State’s fiscal crisis. For example, the Department of Fish and Game received \$84 million
24 in general funds in 2000 and received only \$37 million in 2005. Funding cuts resulted in
25 a decreased level of maintenance on Fish and Game lands. “In 2005 maintenance,
26 restoration, and management of Fish and Game’s wildlife areas and ecological reserves
27 were supported, on average, at the level of \$13 per acre and one staff person per 10,000
28 acres. Many lands were operated at \$1 per acre, with no dedicated staff”¹⁰. Current
29 maintenance falls below the minimum recommended standard set by the Department of
30 Fish and Game Lands and Facilities Branch. As the budget crisis intensifies, it is likely
31 that maintenance and management will be severely reduced in upcoming years.

32
33 While large amounts of land have been purchased using bond funds, the maintenance of
34 land is not an allowable bond expenditure. Federal Tax Code bars the expenditure of tax-

⁵ California Performance Review RES35 “Increase Efficiency in Using Existing Bond Funds for Environmental Enhancement”. <http://cpr.ca.gov/report/cprpt/issrec/res/res35.htm> (accessed 6/26/08)

⁶ Bunn, David, et al, UC Davis Wildlife Health Center “California Wildlife Conservation Challenges”. California Department of Fish and Game, 2007.

⁷ *Ibid*

⁸ California Cattleman Magazine, Grooming Stewards of the Land; Offering alternatives to proposed state regulations. August/July 2008. Volume 91, Issue 7. pp 80-81.

⁹ Bunn, David, et al, UC Davis Wildlife Health Center “California Wildlife Conservation Challenges”. California Department of Fish and Game, 2007.

¹⁰ *Ibid*

1 exempt bond funds for debt arbitrage.¹¹ Therefore, bond funds can be used to purchase
2 new facilities or lands and in some circumstances to write management plans, but can not
3 be used to maintain them, thus exacerbating the problem.

4
5 It is evident that funding for the management of forest and rangelands is essential to the
6 health of the State and to maintain the value of the investments tax payers have made.
7 However, there is no readily available source of funding that can provide the estimated
8 \$348 million per year. The RMAC recommends that the State of California Resources
9 Agency provides strong leadership in creating and implementing a management strategy
10 for State-acquired lands that contains a suite of options including user fees, cooperative
11 management arrangements, private-public partnerships, increased appropriations, and
12 conservation easements. RMAC also recommends that the Board of Forestry and Fire
13 Protection directs the Fire and Resource Assessment Program to perform an inventory of
14 State owned forest and rangelands, including management status, and make that
15 information available to the public.

16 17 **Recommended Management Strategies**

18
19 There is no readily available source of funding that can produce the funds needed each
20 year for management of all State lands; however, there are many sources of revenue that
21 have not been used or are under-utilized. By creating a management strategy that includes
22 new or alternative maintenance arrangements and is implemented on a local level, the
23 State may be able to reduce or eliminate the necessity of increasing general fund
24 appropriations for the protection of State lands while correcting the problems associated
25 with inadequate maintenance. Underutilized sources of funding present an opportunity
26 for the State of California, taxpayers, land managers, and wildland users alike.

27 28 **User Fees**

29 It is not reasonable to expect the entire cost of land maintenance to be paid in user fees
30 because the benefits of State lands serve every resident of the State of California.
31 However, it is reasonable for resource users to bear a portion of maintenance costs based
32 on use. An examination of existing user fees, user fees in other states, and the potential
33 for additional fees may reveal some easily accessed monies that offset maintenance costs
34 while posing little hardship to land users. In some cases fees may actually provide a
35 valuable service to both the State and the user. For example, Hollister Hills State Vehicle
36 Recreation Area in Hollister California and the Pacheco State Park in Los Banos
37 California allow private cattle ranchers to graze livestock on State owned lands. The act
38 of grazing is beneficial to the management of the parks and the fees assessed for grazing
39 access increase the ability of the parks to maintain their land. The arrangement also
40 benefits cattle ranchers who are able to find grazing land for their cattle that would not
41 otherwise be available.

42

¹¹ Holloran P and Press D. *Obstacles to Land Stewardship in California*. Preliminary Draft Report to the California Policy Research Center. June 3, 2005.

Cooperative Management

Managing land for conservation is an overall goal of many private, non-profit organizations, and resource conservation districts (special districts). These organizations and special districts are sometimes able to manage public lands for less cost than State agencies, or are able to utilize agricultural activities as a habitat management tool that generates income for land management. These opportunities may be a good option in geographic areas where State agencies are not already established or limited resources exist. In a cooperative management situation, the State purchases and maintains ownership of the land and the local partner manages that land. The State can establish conservation goals, set costs for continued management and then develop a management contract with a local partner. This arrangement is most effective when established prior to acquisition of the property. Cooperative Management saves the State money, ensures habitat management, builds the capacity of the local organization, and establishes strong State partnerships in local areas.

The Yolo Bypass Wildlife Area (YBWA) is an excellent example of a successful cooperative management arrangement. The YBWA is a 16,770-acre Wildlife Area located between West Sacramento and Davis. While originally designed to protect the cities of Sacramento and Davis from flooding, the Wildlife Area management has demonstrated that wildlife habitat management can coexist with the overriding flood control function of the Yolo Bypass. The land is owned by the California Department of Fish and Game (DFG) and managed under the YBWA Land Management Plan created cooperatively by DFG, Yolo Basin Foundation, Dixon Resource Conservation District, local partners, and private citizens. Extensive public outreach has ensured that the management plan reflects local values.¹² Public and private ownership coexist throughout the Bypass, including duck clubs, farms, and ranches. DFG and its agricultural tenants share facilities with adjacent private farmers and hunting clubs.

The Yolo Basin Foundation coordinates environmental education throughout the region and assists the DFG in reaching its management goals with the Dixon Resource Conservation Management District managing the agricultural operations and infrastructure improvements.¹³ These rents contribute to a significant amount of the improvements and enhancements on the property. In addition to providing flood and habitat protection, the effort has built a strong coalition of local stakeholders, while providing additional benefits to the community including environmental education, recreational opportunities, and scenic views. The Wildlife Area also provides a location for continued scientific research. Without this partnership, maintenance costs for the Wildlife Area would exceed available operating and maintenance budgets and many of these benefits would not exist.

¹² “Yolo Bypass Wildlife Area Land Management Plan” June 2008.

<http://www.yolobasin.org/management.cfm> (accessed July 8, 2008)

¹³ “Yolo Bypass Management Strategy”, August 2001.

http://www.yolobasin.org/bypass_strategy.cfm (Accessed July 8, 2008)

Public-private Partnerships

Working with private interests towards objectives that are mutually beneficial to the goals of the State of California leverages a source of funding that wouldn't otherwise exist. In addition to products or services donated directly from private interests, non-profit organizations can leverage grant funding that is not available to State Agencies. While it is important that these partnerships do not supersede State interests, they present an opportunity that may help lessen the burden on the State budget that is already stretched too thin.

One example of a successful public-private partnership is the partnership formed among the California Cattleman's Association (CCA), California Department of Food and Agriculture, University of California, Dow-Elanco and Dupont. In 1997 the CCA Range Improvement Committee, was asked by its membership to look into the developing a long-term strategy for control of noxious weeds on California rangelands. The process involved identifying the major weeds causing harm, existing public policy and regulation, existing technology, research gaps, control methodologies, and reaching out to other focused interest groups with similar concerns. Several pilot programs were completed in cooperation with CDFA, University of California, private landowners, CCA, and two manufacturers of herbicides, Dow-Elanco and Dupont. These pilot projects were very successful in controlling the target weeds and demonstrating that public and private interests could work together cooperatively in managing natural resources. Following these efforts the RMAC Noxious Weed Sub-committee held numerous meetings with regulators, public interests, CDFA, and agricultural producers to develop the Strategic Plan for the Coordinated Management of Noxious Weeds in California¹⁴ (Noxious Weed Strategic Plan). It was approved by the Board Chairman and the Director of CAL FIRE in 1999.

Increase Appropriations

Several people that were interviewed during the writing of this paper stated a need to move away from the use of general funds for maintenance because of the inconsistency of funding. In strong economic times, adequate money may be available for land maintenance, but in times of economic hardship, maintenance may go virtually unfunded. Maintenance is too important to trust to unstable funding sources. It may be possible to increase general funds through a relatively stable targeted tax structure. For example, Arkansas, New Jersey, Texas and Missouri dedicate a portion of sales tax directly to conservation funds, at least 11 states dedicate a portion of stamp or real estate transfer taxes to conservation, and many states use taxes from hunting and fishing licenses for conservation efforts¹⁵. California could develop a model for permanent maintenance funding through one of these revenue sources.

¹⁴ "California Noxious and Invasive Weed Action Plan", California Department of Food and Agriculture (CDFA) and the California Invasive Weed Awareness Coalition (CALIWAC). http://www.cdfa.ca.gov/phpps/ipc/noxweedinfo/noxweedinfo_hp.htm (accessed June 26, 2008)

¹⁵ Holloran P and Press D. *Obstacles to Land Stewardship in California*. Preliminary Draft Report to the California Policy Research Center. June 3, 2005.

Conservation Easements

Conservation easements are used as an alternative to State ownership. Rather than acquiring a desired property, the State buys a conservation easement for the desired conservation or habitat elements from a willing seller. Agricultural land conserved by easement is restricted from development for a specified term, usually in-perpetuity, while allowing existing or future agricultural uses. Land held under a habitat conservation easements are specified to be enhanced and remain protected as described for wildlife purposes. Conservation easements are generally beneficial arrangements for both the State and the landowner. For landowners, the easement allows land to be kept in agricultural production rather than selling it for residential development. The State gains continued tax revenue, open space, water quality assurances, continued agricultural production, habitat enhancements, and continued management that promote State conservation efforts at a cost much lower than fee title acquisition. Conservation easements are already common in the State of California with successful programs within the Department of Conservation, Wildlife Conservation Board, Cal Fire and the Coastal Conservancy.

Ranchers interested in placing land under conservation easement in California have found that working with a diverse group of governmental and nongovernmental partners has been critical to successfully moving their projects forward and maintaining their goals for the property. Creativity in working with these groups, including conservation groups who target prime habitat and other land protection values, can improve access to funding and the chances of keeping the land as a viable ranch for future generations. The agreement that results from cooperation helps those entities recognize that the stewardship provided by the rancher already supports, and will continue to support public conservation goals.

One good example of a successful conservation easement occurred on the Hafenfeld Ranch. This example demonstrates an opportunity for State and federal government, non-profits, and private landowners to work in cooperation with each other.

In July of 2007, Bruce Hafenfeld, a rancher on the South Fork of the Kern River, closed a conservation easement on his property that was supported by a number of conservation organizations and made unprecedented partnerships with federal agencies. Not only has a new blueprint emerged for private property owners to work with these agencies, but Hafenfeld was also able to acquire funding for the project through unconventional methods. Hafenfeld's efforts have opened new opportunities for ranchers throughout the nation, helping to make ranching conservation easements an accepted method for mitigating harmful activities to threatened and endangered species. This 140-acre easement project mitigated adverse affects on the habitat for the Southwestern Willow Flycatcher and brought together the following agencies and conservation groups to come to this win-win conservation solution: U.S. Army Corps of Engineers, U.S. Fish and

1 Wildlife Service, U.S. Fish and Wildlife Foundation, Natural Recourse Conservation
2 Service, Audubon Society and the California Rangeland Trust.”¹⁶

3 **Implementation of a Cooperative Stewardship Strategy**

4
5 A single source of funding may not exist to provide the millions of dollars required
6 annually to maintain and manage the public lands that the State currently owns. However,
7 the State can implement a suite of activities that may be able to cover the cost of
8 continued maintenance and management. It has been suggested that the State Resources
9 Agency take the lead in developing a public participatory statewide management plan for
10 forest and rangelands. However, in our discussions with stakeholders there appeared to be
11 resistance to this suggestion.

12
13 Stakeholders felt that the creation of a plan would take too long, be cumbersome,
14 expensive and miss opportunities at the local level. Instead, they cited many situations in
15 which the local branch of a State agency or local park worked out an arrangement that
16 was locally specific and mutually beneficial. They cited these examples as untapped
17 opportunities for the State to build partnerships with local communities while increasing
18 revenue streams ultimately increasing land maintenance.

19
20 These concerns noted, the RMAC continues to believe that the implementation of a State-
21 wide strategy for State owned forest, range and other lands is essential to the efficient and
22 responsible protection of California Taxpayer investments. Without this, State owned
23 lands provide a threat to public safety and may not even protect the resources for which
24 they were acquired. The management strategy should contain examples of local
25 arrangements as well as require the integration of local opportunities and partnerships at
26 every possible juncture.

27
28 Another strategy on the part of the State Resources Agency might be to collect examples
29 of local arrangements and issue a directive to all State agencies to look for untapped
30 opportunities in their local areas. A staff person at the State level could assist local
31 agencies in securing additional technical, financial and/or legal support that may be
32 needed to enact local agreements. At the cost of one staff person, the State could reap the
33 benefits of millions of untapped dollars.

34 **Conclusion & Recommendations**

35
36 It is essential to retaining conservation values, public safety, and State owned investments
37 that California develops a plan to properly manage public lands. As stated above this plan
38 may emphasize partnerships formed at the local level, or originate from a statewide
39 strategic plan. Recommendations for the Board’s consideration are as follows:
40

¹⁶ Rangeland Trust Website. http://www.rangelandtrust.org/conservation-hafenfeld_ranch.php.
(accessed July 8, 2008)

1. The RMAC recommends that Resources Agency take the lead on the development of a strategic plan for the acquisition of fee title, conservation easements, or management of State lands currently held or under consideration.
2. All of these recommendations should be incorporated into a strategic management plan for State owned and managed lands that communicate to the legislature the scope, need, and depth of the problem. The plan should be an organizational document for the acquisition of natural resources lands.
3. The State of California should not acquire or accept control of any further natural resources land without an accompanying adequate source of funds for management of the lands in perpetuity. Funding for maintenance should be clearly identified. This recommendation is supported by a statement made by California Department of Fish and Game Director Donald Koch, "With slightly more than a million acres, DFG is already stretched to the max; the acquisition of private property is something that we don't need to explore."
4. The State should prioritize and justify acceptance and acquisition of natural resource land based on its resource values. The State should only accept lands where the resource values are most likely to be maintained or enhanced.
5. California needs a State-wide policy requiring local resource management plans for all state-owned natural resource lands. The policy should include adequate funds for planning and plan implementation in a timely manner.
6. The RMAC recommends partnerships with local individuals or entities for maintenance and improvement of acquired lands. Funds for management of natural resource lands can come from many sources: fees for use of the land, donors of the land, the State general fund, and the acquisition action. Lease or rental agreements with private enterprise or non-profit organizations should be considered for all State-owned natural resource lands. Leases should be crafted so that natural resource values are protected or enhanced. Income from the agreements should be used to enhance natural resources.
7. We recommend conservation easements over private land acquisitions. California should give higher priority to the use of easements rather than fee title purchase when seeking to protect natural resources. Adequately funded maintenance requirements should be written into all such easements.
8. RMAC recommends the State dispose of State-owned natural resources lands whose resource values can not be maintained due to lack of funds or natural causes.
9. The Resources Agency should acquire and organize comprehensive data on State ownership and control of California natural resource lands. The data should be organized by controlling agency, vegetation type and land use. The Legacy Project mapping system displays strategic connectivity of resources in general for

1 many resource values. It does not place planning, maintenance, or management
2 values on these resources.
3

4 10. RMAC recommends no new taxes, but rather identifying and dedicating portions
5 of existing funds for maintenance and enhancement of natural resource lands.
6

7 11. The RMAC recommends that State and Federal law be revised to allow funds for
8 maintenance of acquired land utilizing bond funding.

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